

THE OFFICE OF REGULATORY STAFF

REBUTTAL TESTIMONY

OF

LANE KOLLEN

OCTOBER 24, 2018



DOCKET NOS. 2017-207-E;  
2017-305-E AND 2017-370-E

Request of the Office of Regulatory Staff for Rate  
Relief to South Carolina Electric & Gas Company's  
Rates Pursuant to S.C. Code Ann. § 58-27-920

**REBUTTAL TESTIMONY OF**

**LANE KOLLEN**

**ON BEHALF OF**

**THE SOUTH CAROLINA OFFICE OF REGULATORY STAFF**

**DOCKET NOS. 2017-207-E; 2017-305-E AND 2017-370-E**

**IN RE: REQUEST OF THE OFFICE OF REGULATORY STAFF FOR RATE**

**RELIEF TO SOUTH CAROLINA ELECTRIC & GAS COMPANY'S RATES**

**PURSUANT TO S.C. CODE ANN. § 58-27-920**

**Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND OCCUPATION.**

**A.** My name is Lane Kollen. I am a utility rate and planning consultant holding the position of Vice President and Principal with J. Kennedy and Associates, Inc. ("Kennedy and Associates"). My business address is 570 Colonial Park Drive, Suite 305, Roswell, Georgia 30075.

**Q. DID YOU PREVIOUSLY SUBMIT DIRECT TESTIMONY AND EXHIBITS IN DOCKET NO. 2017-370-E?**

**A.** Yes. I submitted direct testimony and exhibits in Docket No. 2017-370-E which has been consolidated for hearing purposes with Docket No. 2017-305-E. My direct testimony and exhibits filed in Docket No. 2017-370-E addresses many of the issues raised by South Carolina Electric & Gas Company ("SCE&G" or "Company") witnesses Iris Griffin, Jimmy Addison and Kevin Kochems.

**Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY FILED IN DOCKET NO. 2017-370-E?**

1     **A.**           The purpose of my testimony is to summarize and describe the rate impacts on  
2           SCE&G electric customers of the ORS recommendations for recovery of allowed new  
3           nuclear development (“NND”) abandonment costs less the related regulatory liabilities,  
4           ongoing income tax savings from the federal Tax Cuts and Jobs Act (“TCJA”), savings  
5           from the Merger if it is implemented, and a one-time refund of the regulatory liability for  
6           the savings from the TCJA in 2018.

7           I compare the customer impacts of the ORS ratemaking recommendations,  
8           including the potential securitization of allowed NND abandonment costs, to the customer  
9           impacts of the Dominion Energy, Inc. (“Dominion”) and SCE&G (together, “Applicants”)   
10          ratemaking proposals under No Merger Benefit Plan and the Merger Customer Benefit  
11          Plan. In addition, I address the Applicants’ proposal to defer the incremental revenue  
12          requirement for Base Load Review Act transmission costs not presently included in revised  
13          rates. Finally, I address the proposed merger between Dominion and SCANA Corporation  
14          (“Merger”) and the Applicants’ proposed commitments. I address additional commitments  
15          and conditions and provide a comprehensive list of all commitments and conditions that  
16          are necessary to ensure that the Merger is in the public interest and does not harm  
17          customers.

18    **Q.     DO YOU HAVE ANY CHANGES TO YOUR DIRECT TESTIMONY PRE-FILED**  
19    **IN DOCKET NO. 2017-370-E AFTER REVIEW OF THE DIRECT TESTIMONY**  
20    **FILED BY SCE&G IN DOCKET NO. 2017-305-E?**

21    **A.**           No. After my review of the direct testimony filed by SCE&G witnesses Griffin,  
22           Addison and Kochems, the conclusions and recommendation remain unchanged as  
23           presented in my pre-filed direct testimony in Docket No. 2017-370-E remain unchanged

1 and are also applicable in Docket No. 2017-305-E. I am hereby adopting by reference in  
2 Docket No. 2017-305-E the testimony and exhibits which I have previously pre-filed in  
3 Docket No. 2017-370-E.

4 **Q. WILL YOU UPDATE YOUR TESTIMONY BASED ON INFORMATION THAT**  
5 **BECOMES AVAILABLE?**

6 **A.** Yes. ORS fully reserves the right to revise its recommendation via supplemental  
7 testimony should new information become available to ORS not previously provided by  
8 the Company, or from pending state and federal investigations and lawsuits.

9 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

10 **A.** Yes, it does.